

Message Text

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ACTION AF-10

INFO OCT-01 EUR-12 ISO-00 AID-05 PC-01 CIAE-00 DODE-00

PM-05 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01

PRS-01 SP-02 SS-15 USIA-06 OC-06 CCO-00 A-01

OPR-02 SY-05 SIL-01 LAB-04 CU-04 EB-08 COME-00

OMB-01 TRSE-00 AGRE-00 /107 W

-----053608 161535Z /44

R 161219Z AUG 77

FM AMEMBASSY ACCRA

TO SECSTATE WASHDC 9642

INFO AMEMBASSY ABIDJAN

AMEMBASSY LAGOS

AMEMBASSY LOME

AMEMBASSY LONDON

C O N F I D E N T I A L ACCRA 6249

LONDON FOR SEITZ

E.O. 11652: GDS

TAGS: PINT, PGOV, PINS, GH

SUBJ: LULL CONTINUES BUT NEW CONFRONTATION POSSIBLE

1. SUMMARY: ACCRA REMAINS CALM ON THE SURFACE BUT A CONSIDERABLE NUMBER OF REPORTS REACHING THE EMBASSY SUGGEST THAT FURTHER STRUGGLES BETWEEN CITIZENS AND THE GOVERNMENT MAY WELL BE IN THE OFFING AND THAT THE CONFRONTATION BETWEEN THE PROFESSIONALS AND ACHEAMPONG IS BY NO MEANS OVER. END SUMMARY.

2. PROFESSIONALS, ANGERED BY WHAT THEY TAKE TO BE HEAD OF STATE ACHEAMPONG'S DUPLICITY ON THE TIME-TABLE FOR A RETURN TO CONSTITUTIONAL RULE (ACCORDING TO THE PROFESSIONALS HE PROMISED A ONE-YEAR TRANSITION AND THEN RENEGED), ARE TALKING OF RESUMING STRIKES. ON AUGUST 6 THE GHANA MEDICAL ASSOCIATION ELECTED A
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REPORTEDLY "MILITANT" NEW PRESIDENT, DR. QUARCOPOOME, AFTER DECIDING THAT ITS FORMER LEADERS WERE "TOO SOFT" DURING NEGOTIATIONS WITH THE GOVERNMENT. THE EXECUTIVE COMMITTEE OF THE GHANA INSTITUTION OF ENGINEERS IS SAID TO BE PLANNING "STEPS TO HASTEN RETURN TO CIVILIAN RULE;" A SPECIAL GENERAL MEETING OF THE ASSOCIATION WAS HELD AUGUST 13 "TO CONSIDER PROGRESS

MADE ON THE DIALOGUE WITH THE SMC."

3. STUDENT ACTIVISTS HAVE VOTED NOT TO RETURN TO CAMPUS FOR EXAMINATIONS IN SEPTEMBER, AS BOTH UNIVERSITIES AND GOVERNMENT HAVE URGED. THEY VOW INSTEAD TO CONTINUE OPPOSING ACHEAMPONG'S RULE AND ARE PLANNING A SERIES OF MEETINGS IN THE GREATER ACCRA, CENTRAL AND WESTERN REGIONS DURING THE NEXT WEEK, PRESUMABLY TO RALLY OTHER STUDENTS TO THEIR CAUSE. IF THEY HAVE THEIR WAY, UNIVERSITIES WILL STAY CLOSED UNTIL ACHEAMPONG GOES.

4. MANY CIVIL SERVANTS AND STATE CORPORATION EMPLOYEES HAVE NOT YET RECEIVED SALARY CHECKS FOR JULY BECAUSE OF CONFUSION OVER THE EFFECTS ON GOVERNMENT SALARIES OF THE NEW FOUR-CEDI MINIMUM WAGE. (AFTER ANNOUNCING THE NEW MINIMUM WAGE, THE GOVERNMENT ALLEGEDLY TRIED TO LOWER IT BUT HAD TO GIVE IN AFTER TRADE UNIONS AND CIVIL SERVANTS THREATENED TO GO ON STRIKE.) THE TRADE UNION CONGRESS HAS PUBLICLY INSISTED THAT THE NEW MINIMUM RATE REMAIN UNALTERED.

5. A SENSE OF PESSIMISM IS AFFECTING EVEN SOME HIGH-LEVEL OFFICIALS. ONE LEADING OFFICIAL INVOLVED IN COCOA AFFAIRS TOLD US RECENTLY HE IS GREATLY DISCOURAGED OVER GHANA'S PROSPECTS. HE POINTED OUT THAT CONFIDENTIAL

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A CRITICAL LACK OF FOREIGN EXCHANGE WAS FORCING THE GOVERNMENT TO SELL FUTURE COCOA CROPS FORWARD EVEN THROUGH IT KNOWS HIGHER PRICES COULD BE OBTAINED BY LATER SALES. MOREOVER, HE ADDED, THE GOVERNMENT IS UNABLE TO PAY FARMERS REASONABLE PRICES FOR COCOA SINCE IT NEEDS TO EXTRACT MAXIMUM PROFITS FROM THIS CROP. AS A RESULT, HE SAID, FARMERS CONTINUE TO SMUGGLE COCOA OUT OF GHANA AND ARE TURNING AWAY FROM COCOA PRODUCTION--A TREND WHICH CANNOT FAIL TO HAVE SERIOUS LONG-TERM EFFECTS ON THE ECONOMY.

6. FOOD SHORTAGES SEEM TO HAVE EASED SOMEWHAT BUT PRICES REMAIN EXTREMELY HIGH. RAINS HAVE BEEN ERRATIC AGAIN THIS YEAR AND PROSPECTS FOR HARVESTS DO NOT APPEAR BRIGHT. GHANA'S MASSIVE LONG-STANDING ECONOMIC PROBLEMS--LARGE DEFICITS, INFLATION, LACK OF FOREIGN EXCHANGE, SHORTAGES OF SPARE PARTS FOR VEHICLES AND MACHINERY, AND WIDESPREAD CORRUPTION--STILL AWAIT SOLUTION. THERE ARE NOW INDICATIONS THAT SHORTAGES OF RAW MATERIALS (CAUSED BY LACK OF CREDIT AND FOREIGN EXCHANGE COVER) MAY INTENSIFY IN SEPTEMBER/OCTOBER, PERHAPS RESULTING IN CLOSURE OF

SOME FACTORIES AND THUS MORE URBAN UNEMPLOYMENT.
ALREADY MANY FACTORIES ARE WORKING WELL BELOW
CAPACITY DUE TO LACK OF RAW MATERIALS AND SPARE
PARTS.

7. DESPITE THESE GROWING DIFFICULTIES, ACHEAMPONG
AND THE SUPREME MILITARY COUNCIL ARE STILL FIRMLY IN
THE SADDLE AND SHOW LITTLE INTEREST IN MEETING PRO-
FESSIONALS' AND STUDENTS' DEMANDS. WE EXPECT THAT
ALL PARTIES WILL CONTINUE TO MANEUVER FOR POSITION
IN THE WEEKS AHEAD. WHILE PROFESSIONALS STILL LACK
STRONG ORGANIZATION, A COMMON POSITION OR MEANS
OF PUBLICIZING THEIR VIEWS, THEY SHOULD NOT BE
COUNTED OUT. A SERIOUS STUMBLE BY ACHEAMPONG MIGHT
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HAND THEM AN ISSUE WHICH COULD JUSTIFY RESUMPTION OF
THEIR STRIKES AND HELP GENERATE PUBLIC SUPPORT. A
BLUNDER WHICH MIGHT PROVOKE THE TRADE UNIONS TO SIDE
WITH DISSIDENTS AND/OR LEAD REFINERY OR OTHER KEY
WORKERS TO STRIKE COULD FORCE ACHEAMPONG TO COMPROMISE
WITH HIS CRITICS, PERHAPS BY AGREEING AFTER ALL TO
A ONE-YEAR TRANSITION TO CONSTITUTIONAL RULE. HOLMES

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